



[Billing Code 3290-F3]

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

GENERALIZED SYSTEM OF PREFERENCES (GSP): IMPORT STATISTICS

RELATING TO COMPETITIVE NEED LIMITATIONS

AGENCY: Office of the United States Trade Representative.

ACTION: Notice.

SUMMARY: This notice is to inform the public of the availability of import statistics for the first eight months of 2012 relating to competitive need limitations (CNLs) under the Generalized System of Preferences (GSP) program. These import statistics identify some articles for which the 2012 trade levels may exceed statutory CNLs. Interested parties may find this information useful in deciding whether to submit a petition to waive the CNLs for individual beneficiary developing countries (BDCs) with respect to specific GSP-eligible articles. As previously announced in the *Federal Register* (77 FR 44704 (July 30, 2012)), the deadline for submission of product petitions to waive the CNLs for individual BDCs with respect to GSP-eligible articles is 5 p.m., November 21, 2012.

FOR FURTHER INFORMATION: Contact Marin Weaver, Director for GSP, Office of the United States Trade Representative, 600 17th Street, NW, Washington, DC 20508. The telephone number is (202) 395-9618 and the e-mail address is Marin_Weaver@ustr.eop.gov.

SUPPLEMENTARY INFORMATION:

I. Competitive Need Limitations

The GSP program provides for the duty-free importation of designated articles when imported from designated BDCs. The GSP program is authorized by Title V of the Trade Act of 1974 (19 U.S.C. 2461, *et seq.*), as amended (the “1974 Act”), and is implemented in accordance

with Executive Order 11888 of November 24, 1975, as modified by subsequent Executive Orders and Presidential Proclamations.

Section 503(c)(2)(A) of the 1974 Act sets out the two CNLs. When the President determines that a BDC has exported to the United States during a calendar year either (1) a quantity of a GSP-eligible article having a value in excess of the applicable amount for that year (\$155 million for 2012), or (2) a quantity of a GSP-eligible article having a value equal to or greater than 50 percent of the value of total U.S. imports of the article from all countries (the “50 percent CNL”), the President must terminate GSP duty-free treatment for that article from that BDC by no later than July 1 of the next calendar year.

Under section 503(c)(2)(F) of the 1974 Act, the President may waive the 50 percent CNL with respect to an eligible article imported from a BDC, if the value of total imports of that article from all countries during the calendar year did not exceed the applicable *de minimis* amount for that year (\$21 million for 2012). Further, under section 503(c)(2)(C) of the 1974 Act, if imports of an eligible article from a BDC ceased to receive duty-free treatment due to exceeding a CNL in a prior year, the President may redesignate such an article for duty free treatment if imports in the most recently completed year did not exceed the CNLs.

II. Implementation of Competitive Need Limitations

Exclusions from GSP duty-free treatment where CNLs have been exceeded will be effective July 1, 2013, unless the President grants a waiver before the exclusion goes into effect. Exclusions for exceeding a CNL will be based on full 2012 calendar-year import statistics.

III. Interim 2012 Import Statistics

In order to provide advance notice of articles that may exceed the CNLs for 2012, interim import statistics for the first eight months of 2012 relating to CNLs can be viewed at:

<http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preferences-gsp/current-review>. Full calendar-year 2012 data for individual tariff subheadings will be available in February 2013 on the Web site of the U.S. International Trade Commission at <http://dataweb.usitc.gov/>.

The interim 2012 import statistics are organized to show, for each article, the Harmonized Tariff Schedule of the United States (HTSUS) subheading and BDC of origin, the value of imports of the article from the specified country for the first eight months of 2012, and the corresponding share of total imports of that article from all countries. The list includes the GSP-eligible articles from BDCs that, based on interim eight-month 2012 data, exceed \$87 million dollars, or an amount greater than 42 percent of the total value of U.S. imports of that product and therefore may be on track to exceed the applicable thresholds. In all, the following twelve products met the criteria to be placed on the list:

- 4409.10.05 - Coniferous wood continuously shaped along any of its ends (Brazil)
- 7202.99.20 - Calcium silicon ferroalloys (Brazil)
- 7202.30.00 - Ferrosilicon manganese (Georgia)
- 2924.29.95 - Other nonaromatic cyclic amides and their derivatives (India)
- 2934.99.47 - Nonaromatic drugs of other heterocyclic compounds (India)
- 7307.21.50 - Stainless steel, not cast, flanges for tubes/pipes (India)
- 7307.91.50 - Iron or steel (o/than stainless), not cast, flanges for tubes/pipes (India)
- 6911.10.37 - Porcelain or non-bone china, household table & kitchenware sets (Indonesia)

- 2927.00.15 - 1,1'-Azobisformamide (Indonesia)
- 7202.21.50 - Ferrosilicon containing between 55% and 80% of silicon (Russia)
- 2106.90.99 - Miscellaneous food preparations not canned or frozen (Thailand)
- 9506.70.40 - Ice skates w/footwear permanently attached (Thailand)

The list published on the USTR website includes the relevant eight-month trade statistics for each of these products and is provided as a courtesy for informational purposes only. The list is based on interim 2012 trade data, and may not include all articles that may be affected by the GSP CNLs. Regardless of whether or not an article is included on the list referenced in this notice, all determinations and decisions regarding application of the CNLs of the GSP program will be based on full calendar-year 2012 import data for each GSP-eligible article. Each interested party is advised to conduct its own review of 2012 import data with regard to the possible application of GSP CNLs. Please see the notice announcing the 2012 GSP Review which was published in the *Federal Register* on July 30, 2012, regarding submission of product petitions requesting a waiver of a CNL. The notice is available at <http://www.regulations.gov/#!documentDetail;D=USTR-2012-0013-0001>.

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